

HOUSE BILL 384

IN THE HOUSE

January 24, 1979

Introduced and referred to
Committee on State Adminis-
tration.

February 21, 1979

Committee recommend bill, do
not pass.

February 22, 1979

Report adopted.

STATE OF MONTANA

REQUEST NO. 140-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 25, 19 79, there is hereby submitted a Fiscal Note for House Bill 384 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF LEGISLATION:

House Bill 384 would make the audit fee charged local governments by the Department of Community Affairs uniform for all types of governmental entities.

ASSUMPTIONS:

Audit Staffing Pattern will remain the same.

Amount of billable hours will remain the same.

Number of audits of each type (county, city, town, school district, rural fire district, etc.) will remain the same.

REVENUE IMPACT:

Audit fees credited to
State General Fund:

	FY 1980	FY 1981
Under Current Law	\$306,000	\$ 306,000
Under Proposed Law	<u>421,140</u>	<u>421,140</u>
Increased Revenue	<u>\$115,140</u>	<u>\$ 115,140</u>

LOCAL IMPACT:

Local government expenditures statewide would increase by \$115,140.

Richard L. Drangor

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/31/79

STATE OF MONTANA

REQUEST NO. 261-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 19 79, there is hereby submitted a Fiscal Note for House Bill 384 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill amends section 15-30-131, to allow nonresident taxpayers to deduct either those deductions relating to the production of Montana income or a prorated amount of the deductions allowed under section 15-030-121, MCA, whichever is greater.

ASSUMPTIONS

- a) The Department of Revenue forecast of individual income tax receipts for the 80-81 biennium is the basis for comparison.
- b) Under the proposed law the average amount of the itemized deductions claimed by 25,000 non-resident filers will be increased by between \$1,200 and \$1,500.
- c) The average effective tax rate is 5.59%.

FISCAL IMPACT

	FY 80	FY 81
<u>Individual Income Tax Collections</u>		
under current law	\$154.268 M	\$169.790 M
under proposed law	\$152.172 - \$152.591 M	\$167.694 - \$168.113 M
Estimated Decrease	(\$ 1.677 - \$ 2.096 M)	(\$ 1.677 - \$ 2.096 M)

FUND INFORMATION

<u>General Fund</u>		
under current law	\$ 98.732 M	\$108.666 M
under proposed law	\$ 97.390 - \$ 97.658 M	\$107.324 - \$107.592 M
Estimated Decrease	(\$ 1.074 - \$ 1.342 M)	(\$ 1.074 - \$ 1.342 M)
<u>Earmarked Fund</u>		
under current law	\$ 38.567 M	\$ 42.447 M
under proposed law	\$ 38.043 - \$ 38.148 M	\$ 41.924 - \$ 42.029 M
Estimated Decrease	\$ 0.419 - \$ 0.524 M	\$ 0.418 - \$ 0.523 M
<u>Sinking Fund*</u>		
under current law	\$ 16.969 M	\$ 18.677 M
under proposed law	\$ 16.739 - \$ 16.785 M	\$ 18.446 - \$ 18.492 M
Estimated Decrease	\$ 0.184 - \$ 0.230 M	\$ 0.185 - \$ 0.231 M

*A portion of this account may be transferred to the general fund as long-range bond excess.

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Richard L. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/9/79

STATE OF MONTANA

REQUEST NO. 261-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 19 79, there is hereby submitted a Fiscal Note for House Bill 384 pursuant to Chapter 53, Session Laws - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Department of Administration, Budget Bureau, to members of the Legislative Assembly upon request.

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LONG-RANGE EFFECTS

Loss of \$2 million per year.

TECHNICAL NOTE

- a) Revenues to the indicated Earmarked Revenue Account are used to support the Public School Foundation Program. Therefore, any decrease in revenues to that program may necessitate additional support from other sources.

PREPARED BY DEPARTMENT OF REVENUE

CHIEF, BUDGET BUREAU
Department of Administration

Date: _____